How Minneapolis Freed Itself from the Stranglehold of Single-Family Homes

Desperate to build more housing, the city just rewrote its decades-old zoning rules.

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MINNEAPOLIS—On recent early summer day, Janne Flisrand and John Edwards took a victory lap through their neighborhood.

As they strolled along sidewalks shaded by maples and oaks, they pointed out the variety of single-family homes that give the Lowry Hill East neighborhood its signature look: three-story houses from the early 20th century, with big, white-columned porches. Then they came to a century-old brown brick building, also three stories tall, with rows of windows on both sides of a recessed entryway. The six-unit condominium building from 1910 was flanked by 2½-story blue houses—one a single-family home, the other a triplex. It was mini-tableau of housing diversity that Flisrand and Edwards say has become all too hard to build in their part of town. "We've had a really long history of apartments and renters in this neighborhood," Edwards says. "But 20 percent of the neighborhood wanted to prevent that housing for the last 50 years."

Well, they won't prevent it any longer.

Thanks in part to activists like Flisrand and Edwards, Minneapolis just did away with the rules that gave single-family homes a stranglehold on nearly three-quarters of the city. In December, Neighbors for More Neighbors, the group co-founded by Flisrand and Edwards about two years ago to address Minneapolis' affordable housing crisis, won a victory unseen in any other major American city. The city council approved the Minneapolis 2040 comprehensive plan, which declares the city's intent to abolish single-family-home zoning and allow duplexes and triplexes to be built anywhere in the city.

"Lots of people want to live here," said Flisrand. "It's a great city to live in. And we have used our city policies to keep people out."

Cities across the country are booming, but their growth is exacerbating an already critical lack of affordable housing for the middle class and poor alike. The solutions being proposed in many cities run the gamut from rent control to federal subsidies, but Minneapolis has landed on something even bolder that strikes at the heart of how cities have grown and defined themselves over the past century. Single-family-only neighborhoods, a staple of city and suburban planning, are woven into the DNA of the American dream: the leafy, peaceful street lined with stand-alone houses, green lawns and plenty of elbow room. Minneapolis' new vision of itself would essentially rewrite that code—reshaping the urban streetscape around walking and mass transit and rebooting the American dream to be more racially and economically inclusive.

Minneapolis' new comprehensive plan has drawn praise from divergent political quarters—both Housing Secretary Ben Carson, who visited Minneapolis recently, and the *New York Times* editorial page. And cities and states with their own growth-driven housing crises are looking to Minneapolis for clues on how to navigate the political shoals inherent in any debate over development and growth. In June, Oregon's Legislature followed Minneapolis' lead, approving a bill to end single-family zoning in large cities.

How did Minneapolis do it? In other cities, NIMBYs—conservative "Not In My Back Yard" defenders of suburban-style living—often make alliances with left-wing critics of gentrification to choke off new supply. But in Minneapolis, a progressive city council persuaded a broad coalition of racial-justice activists and nonprofit affordable-housing advocates to align with zoning-reform supporters behind a package of housing efforts meant to help both the middle class and the poor. Along with Minneapolis 2040's vision of a denser city, the city council also approved $40 million in affordable-housing funds and requirements that some developers include lower-cost units in their projects. New protections for tenants are coming next.

"We've avoided a political coalition between folks who want to stop development and [those who] support progressive change," said Lisa Bender, Minneapolis' city council president. "In Minneapolis, for now, we have a political coalition that is supportive of adding more housing and demanding a race-equity approach to housing access. Now it's incumbent on the city to actually do that in a meaningful way. And I'm not sure any city has done that."

Minneapolis officials have known for the better part of a decade that the city's economic health was creating a problem.

Since 2010, the city grew 11 percent to 425,000 people. People are migrating to Minneapolis to enjoy the vibrant urban scenes on its main avenues near downtown, its vast green neighborhoods of pre-World War II homes, and its plentiful parks along its many lakes and creeks. The Minneapolis-St. Paul region's economy is thriving, led by prospering Fortune 500 companies such as UnitedHealth Group, Target and Best Buy. But the metro area is adding population faster than it's adding housing—83,000 new households, but only 63,000 new houses, since 2010. So home-sale prices and rents are going up. In May, the median home-sale price in the Twin Cities area reached $285,000, up 5.2 percent from last year. Hopeful homebuyers face bidding wars. With vacancy rates low, tenants face climbing rents: The average monthly rent of a two-bedroom apartment in the city reached $1,847 this winter, while the vacancy rate is 3.7 percent. (Economists often consider a 5 percent vacancy rate "healthy"; below that, housing costs rise faster than inflation.). Spiking costs now threaten a cornerstone of Minneapolis' prosperity, as young people find it ever harder to afford living there.

"Right now in Minneapolis, we have a whole lot of people that want to live here, and we're proud of that," said Mayor Jacob Frey. "But we don't have the supply to accommodate it. And when you've got demand that is sky-high but not the supply to accommodate it, it's just common sense: The prices, the rents, go through the roof."

Minneapolis' embrace of urban density began in 2013, when voters elected several young, progressive new city council candidates, including Bender. A Minnesota native, she'd worked as a San Francisco city planner before coming home. "When I moved back to Minneapolis, I saw that housing costs were much lower, but I saw the progression of folks moving in," she said. "I didn't see the city having the right kind of aggressive policy in place to keep our city affordable."

Bender, 41, who became city council president in 2018, nerds out with glee while talking urbanist policy, from housing near transit stops to protected bike lanes. (She founded the Minneapolis Bicycle Coalition, now renamed Our Streets Minneapolis.) "My very first ordinance was to legalize accessory dwelling units!" she enthuses. To build support among reluctant council colleagues, she recruited allies such as AARP, which advocates for so-called granny apartments and garage flats.

"We opened up the dialogue around who gets to live where in our city," Bender said.

Next, Bender and her City Hall allies set their eye on Minneapolis' comprehensive plan, which all Minnesota cities have to update every decade. Usually, these plans are dry policy documents that attract little public attention. Before 2013, Bender said, the city's feedback was mostly limited to neighborhood associations, so it usually heard from older, white homeowners. This time around, the city council approved an ambitious plan to gather citizen ideas at community meetings, street festivals and farmer's markets.

This wider approach tapped into the 52 percent of Minneapolis residents who are renters, many of them young and keenly interested in lower housing costs but also climate change, transportation and racial justice. "When we set up enough room for the community to actually weigh in, and not just the folks who are opposed to things, there is a lot of public support for increasing housing options," Bender said.

By 2017, housing had become a major issue in the city elections. Frey, a young councilman, was elected mayor on a platform of increasing housing density, tripling spending on affordable housing, and reducing residential segregation. "I unabashedly took stances saying that I believe in affordable housing in every neighborhood throughout the city," said Frey, 37, a Virginia-native lawyer who moved to Minneapolis after running a marathon there.

Frey wanted to increase housing supply to meet demand, but there's another reason he wanted to end single-family zoning: racial justice. He and others say single-family zoning evolved as a way for Minneapolis and other cities to practice racial discrimination by another name.

Since 2016, Minneapolis residents have exposed their city's history of housing discrimination in a way that's unusual for an American metropolis. Inspired by a project that digitized the federal government's 1930s redlining maps, which declared black neighborhoods "hazardous" for investment, volunteers for Minneapolis' Mapping Prejudice project have scanned and mapped 17,000 local real-estate deeds with racial restrictions from the 1910s through 1940s.

"When those explicitly racist policies became illegal through the Civil Rights Act, we and other cities throughout the country started doing things implicitly through our zoning code," said Frey. "And we've set it up so that unless you can own a really big home on a really big parcel, you can't live in huge swaths of the city."

In 2018, city staff debuted an early draft of the Minneapolis 2040 plan. A broad planning document with 100 policies on everything from carbon-free energy to tree canopies, it attracted the most attention for its "Policy 1," which called for increased housing density citywide and an end to single-family zoning. The early draft would've allowed four-unit buildings everywhere in the city. Larger apartment and condominium buildings could be built closer to downtown and along public transit routes. The new rules applied to renovation and new construction: subdividing houses, building additions, new construction on vacant lots, and new construction after existing housing was torn down.

The initial proposal divided Minneapolis, as opponents rose up to defend single-family zoning. Red lawn signs warned of developers bulldozing neighborhoods to build apartments.

"I'm not sure we bought the argument that more density increased affordable housing," said Lisa McDonald, a former city council member and a member of the anti-2040 group Minneapolis For Everyone. "We felt we'd get very little affordable housing, but we would be giving developers carte blanche."

That left Frey, who ran for mayor as a progressive, in the awkward position of defending the for-profit housing industry, which quietly supported the 2040 plan but didn't publicly

advocate for it. "People who need homes can't be collateral damage in an antideveloper, antibusiness agenda," he said. "We have people that need the supply."

That's when the deal-making started.

To overcome the opposition, Frey, Bender and their staffs reduced the promised new zoning in single-family neighborhoods from four-unit buildings to triplexes. They negotiated with council members over changes to future zoning on transit corridors in their wards.

To build a coalition behind the plan, the council voted on two other housing policies the same week as Minneapolis 2040. First, it approved Frey's budget, which funded $40 million in affordable housing programs, up from about $15 million. Then, the same day council approved Minneapolis 2040 by a 12-1 vote, it passed an interim "inclusionary zoning" ordinance. Common in other big cities, inclusionary zoning requires apartment-building developers to set aside some of a complex's units for people with below-average incomes. "This city council won't support making it easier to build housing without a requirement that some of that housing be affordable," Bender said.

The package deal helped gather support for the 2040 plan from nonprofit affordable-housing advocates, who were lukewarm about zoning for more density.

"It's great that a city has said we're going to open up the zoning books and get creative about how we can boost density," said Russ Adams, executive director of The Alliance, a nonprofit advocate on racial and economic justice issues. "But without regulation, the market is going to behave exactly the way it always behaves."

Meanwhile, representatives of the for-profit housing industry support Minneapolis 2040's embrace of higher density but say it won't likely solve the housing shortage on its own.

"If it produces 50 units in a year, in my mind, it'll be a big success," John Rask, a homebuilder and the president of the builders' group BATCHousing First Minnesota, said. "I don't think anyone sees 500 units a year coming out of triplexes. But every little bit helps." Other parts of Minneapolis 2040, like increased density along transit corridors, should help, he said. But he argues that the city needs relief in parking requirements, lower city fees, and expedited permit and zoning approvals, rather than an inclusionary zoning policy.

Local housing advocates are also skeptical that eliminating single=family zoning will advance racial justice. Minneapolis's racial disparities are among the worst in the nation. The gaps between white and nonwhite homeownership and poverty in the Minneapolis-St. Paul region are the largest among the nation's 25 largest metro areas. Three out of four whites in the region own their own homes; only one in four African Americans do. Density in more neighborhoods may give people of color more choices about where to live, but it doesn't address the wealth gaps that past discrimination helped create.

"The city has to put its money where its mouth is, and redistribute resources to make high density equal affordability," Dr. Brittany Lewis, an urban affairs researcher at the University of Minnesota, said. "A lot of small developers of color are trying to get in the development game because they want to invest in the communities in which they live. And it's extremely challenging."

It is unclear what kind of future awaits Minneapolis, but abolishing single-family-home zoning means that mixed-housing neighborhoods will become increasingly common, with apartment buildings such as this subsidized housing complex looking over single-family homes. | Mark Peterson/Redux Pictures for Politico Magazine

Tabitha Montgomery, executive director of the Powderhorn Park Neighborhood Association, feels conflicted about the Minneapolis 2040 plan. "In theory, adding housing units to the city will be helpful to persons of color," she said. Minneapolis' low rental vacancy rate especially hurts immigrants and black women, she said. "Our wealth level doesn't allow us to be competitive sometimes with other persons who are pursuing housing." But Montgomery isn't convinced that Minneapolis 2040 will end up benefiting the most vulnerable. She wants the city to focus more on nonprofit affordable housing.

The mayor says he especially wants to help black and indigenous residents become homeowners. Homeownership is a major goal in the city's $40 million affordable-housing budget. The Minneapolis Homes program, with $5 million funding this year, offers downpayment assistance loans for homebuyers and city-owned vacant land and vacant houses for sale. Frey notes that North Minneapolis could especially benefit from the program, since the city owns 300 vacant homes or lots in North Minneapolis alone.

Now the Minneapolis 2040 plan is before the Metropolitan Council, the Twin Cities' powerful regional planning board, which is widely expected to approve it later this year. After that, the city council intends to enact the planning zoning changes into law. The 2040 plan may become an issue in the 2021 city elections, if its opponents get their way. "We'll be looking at bringing in some council members who are listening to the citizens more," said McDonald.

But the mayor predicts the 2040 plan's results will eventually vindicate his approach. "While people might hate my guts for a couple of years," he said. "I'm confident that a little down the road, it'll be apparent that we took the right route."